

**TIFFIN CITY SCHOOL DISTRICT
SENECA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022 and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024 THROUGH JUNE 30, 2028**



**Forecast Provided By
Tiffin City School District
Treasurer's Office
Ryan Cook, Treasurer/CFO
May 20, 2024**

Tiffin City School District

Seneca County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues									
1.010 General Property Tax (Real Estate)	\$9,845,598	\$9,598,060	\$9,865,284	0.1%	\$10,199,786	\$10,765,557	\$10,791,050	\$11,019,258	\$11,193,928
1.020 Public Utility Personal Property Tax	2,929,992	3,019,084	2,979,349	0.9%	3,160,236	3,143,190	3,180,889	3,215,585	3,250,381
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	13,202,490	11,933,361	12,144,758	-3.9%	13,489,438	13,900,181	14,150,994	14,401,810	14,652,630
1.040 Restricted State Grants-in-Aid	399,839	792,427	863,836	53.6%	870,379	688,723	688,723	688,723	688,723
1.045 Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050 State Share of Local Property Taxes	1,332,331	1,306,141	1,297,130	-1.3%	1,329,717	1,365,350	1,366,821	1,399,482	1,432,271
1.060 All Other Revenues	1,817,820	1,945,420	2,355,577	14.1%	2,621,230	2,446,218	2,385,666	2,332,885	2,287,114
1.070 Total Revenues	\$29,528,070	\$28,594,493	\$29,505,934	0.0%	\$31,670,786	\$32,309,219	\$32,564,143	\$33,057,743	\$33,505,047
Other Financing Sources									
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020 State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	777,700	234,054	44,940	-75.4%	94,531	45,000	45,000	45,000	45,000
2.070 Total Other Financing Sources	\$777,700	\$234,054	\$44,940	-75.4%	\$94,531	\$45,000	\$45,000	\$45,000	\$45,000
2.080 Total Revenues and Other Financing Sources	\$30,305,770	\$28,828,547	\$29,550,874	-1.2%	\$31,765,317	\$32,354,219	\$32,609,143	\$33,102,743	\$33,550,047
Expenditures									
3.010 Personal Services	\$14,183,434	\$15,306,940	\$16,607,877	8.2%	\$17,565,710	\$19,065,132	\$19,674,867	\$20,323,588	\$20,994,133
3.020 Employees' Retirement/Insurance Benefits	5,088,694	5,261,373	5,756,852	6.4%	6,179,953	6,762,928	7,226,365	7,697,588	8,207,180
3.030 Purchased Services	8,774,594	5,754,938	7,016,937	-6.2%	7,200,854	7,319,562	7,441,348	7,566,317	7,694,579
3.040 Supplies and Materials	782,112	728,310	825,091	3.2%	841,593	1,213,425	882,694	900,348	918,356
3.050 Capital Outlay	163,737	188,139	96,275	-17.0%	265,000	265,000	265,000	265,000	265,000
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	-	0.0%	0	0	0	0	0
4.300 Other Objects	538,606	622,912	555,613	2.4%	569,838	584,458	599,484	614,928	630,804
4.500 Total Expenditures	\$29,531,177	\$27,862,612	\$30,858,645	2.6%	\$32,622,948	\$35,210,505	\$36,089,758	\$37,367,769	\$38,710,052
Other Financing Uses									
5.010 Operating Transfers-Out	\$128,717	\$137,041	\$141,849	5.0%	\$162,292	\$162,292	\$162,292	\$162,292	\$162,292
5.020 Advances-Out	0	0	0	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	\$128,717	\$137,041	\$141,849	5.0%	\$162,292	\$162,292	\$162,292	\$162,292	\$162,292
5.050 Total Expenditures and Other Financing Uses	\$29,659,894	\$27,999,653	\$31,000,494	2.6%	\$32,785,240	\$35,372,797	\$36,252,050	\$37,530,061	\$38,872,344
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	\$645,876	\$828,894	(\$1,449,620)	-123.3%	(\$1,019,923)	(\$3,018,578)	(\$3,642,907)	(\$4,427,318)	(\$5,322,297)
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$16,921,877	\$17,567,753	\$18,396,647	4.3%	\$16,947,027	\$15,927,104	\$12,908,526	\$9,265,619	\$4,838,301
7.010 Cash Balance June 30	\$17,567,753	\$18,396,647	\$16,947,027	-1.6%	\$15,927,104	\$12,908,526	\$9,265,619	\$4,838,301	(\$483,996)
8.010 Estimated Encumbrances June 30	\$1,397,085	\$1,100,541	\$1,468,392	6.1%	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080 Subtotal Reservations of fund Balance	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Fund Balance June 30 for Certification of Appropriations	\$16,170,668	\$17,296,106	\$15,478,635	-1.8%	\$14,927,104	\$11,908,526	\$8,265,619	\$3,838,301	(\$1,483,996)

Tiffin City School District

Seneca County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual			Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300 Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
12.010	\$16,170,668	\$17,296,106	\$15,478,635	-1.8%	\$14,927,104	\$11,908,526	\$8,265,619	\$3,838,301	(\$1,483,996)
Revenue from New Levies									
13.010 Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010 Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	\$16,170,668	\$17,296,106	\$15,478,635	-1.8%	\$14,927,104	\$11,908,526	\$8,265,619	\$3,838,301	(\$1,483,996)

Tiffin City School District –Seneca County
Notes to the Five-Year Forecast
General Fund Only
May 20, 2024

Introduction to the Five Year Forecast

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted, because the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three important purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2024 filing.

May 2024 Updates:

Revenues FY24

The overview of revenues shows that we are ahead of estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$31.67 million or 3.85% higher than the November forecasted amount of \$30.49 million. This indicates that the November forecast was 96.15% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second most significant source of revenues at 42.2% and are estimated to be \$13.36 million, which is \$663 thousand higher for FY24 than the original November estimate

of \$12.7 million. November estimates for our Tax Year 2023 reappraisal were clouded due to pending legislative action on HB187 at the time our forecast was due. HB187 potentially would have altered the reappraisal methods and values used historically. HB187 was dropped at year end and normal reappraisal methods were followed resulting in higher values than HB187 would have resulted in. The normal reappraisal method resulted in higher values and the district taxes increasing due to the 20-mill floor.

Line 1.035 and 1.04 - State Aid is our largest source of revenue and continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$14.36 million, which is \$163 thousand higher than the original estimate for FY24. We are pleased that we were able to be 99% accurate for FY24. We are currently on the formula and are expected to remain as a formula district from FY25 through FY28.

Line 1.06 - Other revenues are up \$300 thousand over original estimates, primarily due to interest income (use the best options for the district) received by the district, which are somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

Expenditures FY24

Total General Fund expenditures (line 4.5) are estimated to be \$32.62 million for FY24, which is on target with the original estimates in the November forecast.

Unreserved Ending Cash Balance

With revenues increasing from original estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$14.93 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1) Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years, and new construction growth with modest increases in local taxes as the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 50.5% of the district's resources. Our tax collections in the August 2023 and March 2024 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Seneca County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 update increased assessed values overall by \$109.5 million or 30.01%, including reappraisal and new construction for all real property classes. An update will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property including new construction of \$20.98 million for an overall increase of 4.4%. The impact of additional revenue due to reappraisal on Class I property will result in an increase as the district is on the 20-mill floor beginning in tax year 2023.

The legislature has formed a “Joint Committee on Property Tax Review and Reform” which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20-mill floor currently in law. Our district is currently on the 20 mill floor for Class I values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

3) The state budget represented 49.5% of district revenues, which means it is a significant area of risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the high inflation we are witnessing at this time or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two future and unknown State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state’s economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan) based on the Department of Education simulations. This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

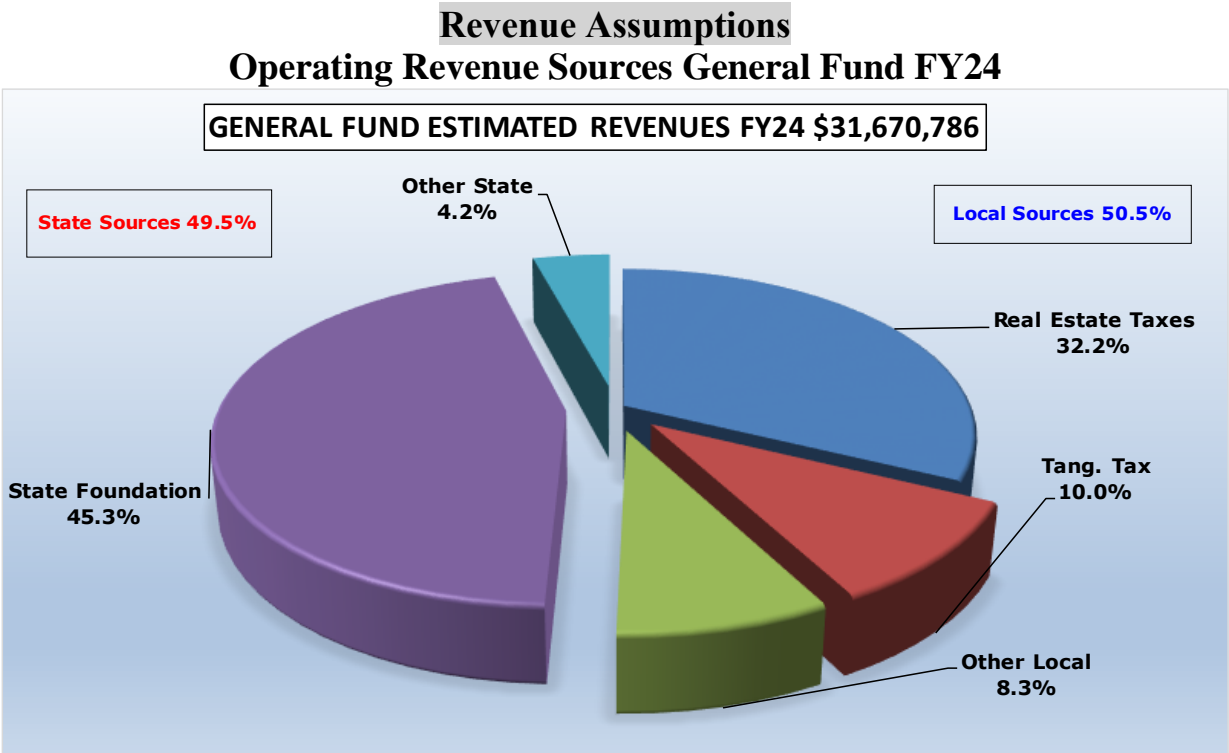
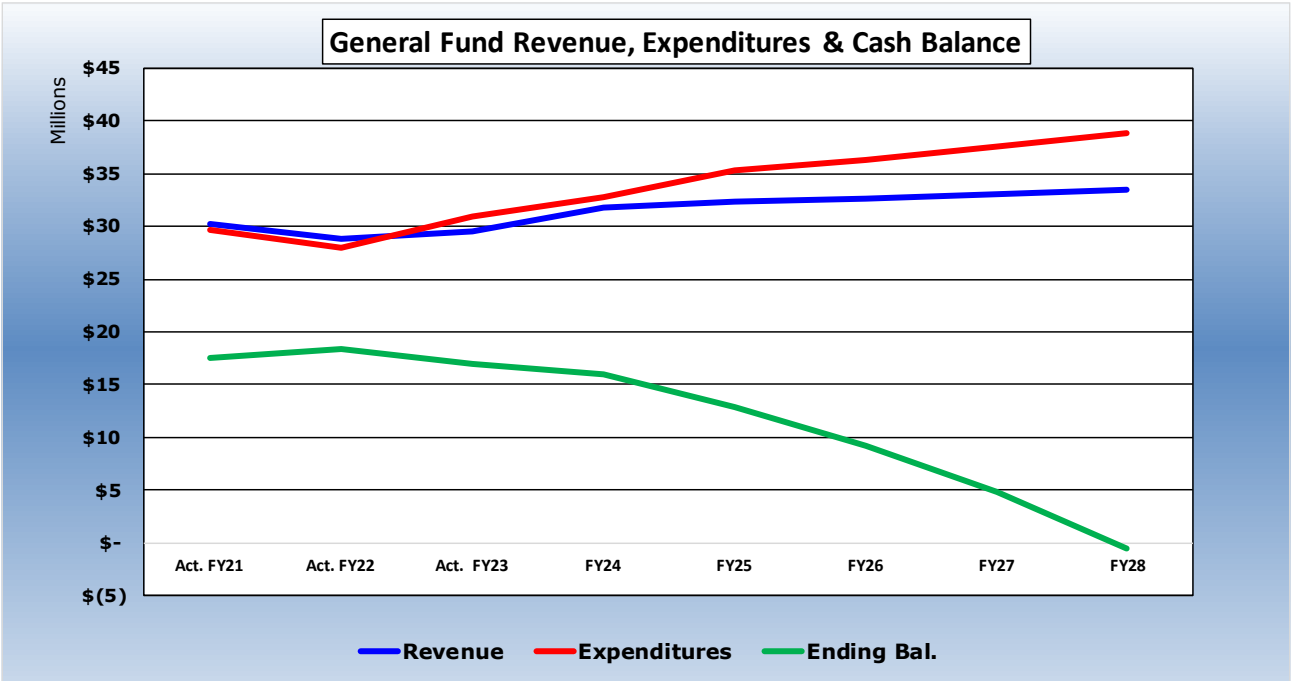
4) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

5) HB33 continues to directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

6) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Ryan Cook, Treasurer/CFO at 419-447-2515.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY21-23 and Estimated FY24-28
 The graph captures in one snapshot the operating scenario facing the District over the next few years.



Property Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor. New construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) adjustments and complete reappraisal or updates are all

components of the values.

Seneca County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 update increased assessed values overall by \$109.5 million or 30.01%, including reappraisal and new construction for all real property classes. An update will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property including new construction of \$20.98 million for an overall increase of 4.4%. The impact of additional revenue due to reappraisal on Class I property will result in an increase as the district is on the 20-mill floor beginning in tax year 2023.

Public Utility Personal Property (PUPP) values increased by \$1.61 million in Tax Year 2022 and \$750,000 in Tax Year 2023. We expect our values to continue to grow by \$750,000 each year of the forecast.

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 51.78 mills while the Class I effective millage rate is 23.08 mills and the Class II effective millage rate is 37.47 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the floor for Class I real property. Our emergency levy that is voted on is not included in the 20-mill floor, the district has one emergency levy of 3.08 mills that was voted on for an annual amount of \$1,640,000 of taxes.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2023	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027
<u>Classification</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>
Res./Ag.	\$399,535,570	\$400,285,570	\$401,035,570	\$421,837,349	\$422,587,349
Comm./Ind.	74,919,240	75,094,240	76,020,182	76,195,182	76,370,182
Public Utility Personal Property (PUPP)	60,341,340	61,091,340	61,841,340	62,591,340	63,341,340
Total Assessed Value	<u>\$534,796,150</u>	<u>\$536,471,150</u>	<u>\$538,897,092</u>	<u>\$560,623,871</u>	<u>\$562,298,871</u>

General Property Real Estate Tax Revenue (Line #1.010)

Property tax levies are estimated to be collected at 98.25% of the annual amount. This allows 1.75% delinquency factor. In general, 57% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 43% collected in the August tax settlement. Collections are up in FY24 and FY25 due to the reappraisal and hitting the 20 mill floor.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Real Estate Taxes	\$10,199,786	\$10,765,557	\$10,791,050	\$11,019,258	\$11,193,928
Total Line #1.01 Real Estate Taxes	<u>\$10,199,786</u>	<u>\$10,765,557</u>	<u>\$10,791,050</u>	<u>\$11,019,258</u>	<u>\$11,193,928</u>

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility Personal Property, which were \$60.3 million in assessed values in 2023 and are collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2022 rose by 2.8 % or \$1.61 million and are expected to grow by \$750,000 each year of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property	\$3,160,236	\$3,143,190	\$3,180,889	\$3,215,585	\$3,250,381
Total PUPP Tax Line #1.020	<u>\$3,160,236</u>	<u>\$3,143,190</u>	<u>\$3,180,889</u>	<u>\$3,215,585</u>	<u>\$3,250,381</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB33 through June 30, 2025

A) Unrestricted State Foundation Revenue– Line #1.035

Unrestricted State Grants-in-Aid – Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the April 2024 foundation settlement and funding factors. FY25 is projected using department of education simulations.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated, and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.
2. 20% based on the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on the most recent year's federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open-enrolled students being educated in each district) and multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

Categorical State Aid

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5)

weighted funding categories students enrolled in.

5. **Student Wellness and Success Funds** – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

State Funding Phase-In FY24 and FY25 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) “Formula Transition Aid,” 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond FY23

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$113.11 million or \$65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$12,638,739	\$13,051,171	\$13,301,171	\$13,551,171	\$13,801,171
Additional Aid Items	<u>684,069</u>	<u>681,560</u>	<u>681,560</u>	<u>681,560</u>	<u>681,560</u>
Basic Aid-Unrestricted Subtotal	13,322,808	13,732,731	13,982,731	14,232,731	14,482,731
Ohio Casino Commission ODT & Cat Costs	<u>166,630</u>	<u>167,450</u>	<u>168,263</u>	<u>169,079</u>	<u>169,899</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,489,438</u>	<u>\$13,900,181</u>	<u>\$14,150,994</u>	<u>\$14,401,810</u>	<u>\$14,652,630</u>

A) Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials (HQIM) purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$132,800 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$109,772	\$73,343	\$73,343	\$73,343	\$73,343
Career Tech - Restricted	11,756	8,246	8,246	8,246	8,246
Gifted	156,227	152,648	152,648	152,648	152,648
ESL	15,279	13,344	13,344	13,344	13,344
Student Wellness	444,545	441,142	441,142	441,142	441,142
Other Restricted State Funds	<u>132,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$870,379</u>	<u>\$688,723</u>	<u>\$688,723</u>	<u>\$688,723</u>	<u>\$688,723</u>

B) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY24-28.

<u>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line #1.035	\$13,489,438	\$13,900,181	\$14,150,994	\$14,401,810	\$14,652,630
Restricted Line #1.040	870,379	688,723	688,723	688,723	688,723
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$14,359,817</u>	<u>\$14,588,904</u>	<u>\$14,839,717</u>	<u>\$15,090,533</u>	<u>\$15,341,353</u>

State Taxes Reimbursement/Property Tax Allocation

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	<u>\$1,329,717</u>	<u>\$1,365,350</u>	<u>\$1,366,821</u>	<u>\$1,399,482</u>	<u>\$1,432,271</u>
Total Tax Reimbursements #1.050	<u>\$1,329,717</u>	<u>\$1,365,350</u>	<u>\$1,366,821</u>	<u>\$1,399,482</u>	<u>\$1,432,271</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. Revenues from all other sources are projected based on historical patterns and known contractual arrangements. This revenue

category largely consists of:

- The school district's share (9.7%) of payments in lieu of taxes for the City of Tiffin's Tax Increment Financing agreements began in 2019 to promote economic development. Receipts from 4 agreements that end in 2048 are expected to total about \$2,300 in 2023. Annual taxes foregone total about \$20,700.
- Annual revenue totaling \$15,600 from a farm lease began in 2021.
- Preschool open enrollment revenue.
- Tuition reimbursement for non-resident students placed at Tiffin Developmental Center began in 2021 with full reimbursement of more than \$1 million from the responsible districts forecasted annually beginning in 2022. With the corresponding expenditure for contracted services in purchased services.
- Interest on investments.
- Tuition for court-placed students, tuition from other districts.

HB33 continues to pay open enrolled and community school payments directly to the district where the student is enrolled. Open enrolled student revenues will be included in Line 1.035 as basic state aid. In FY23 interest income rose sharply due to fed rate increases to gain control over inflation. We are seeing rates continue at that level in 2024 and have increased our earnings estimate in FY24 by \$300,000. We feel rates may begin to be reduced later in 2024 and will begin to reduce our interest income starting in FY25. We will continue to manage our funds safely but also to push portfolio performance to maximize investments.

In addition, the District participates in the Medicaid in Schools Program. The District is reimbursed by the state for services provided to eligible students. Catastrophic aid is also included which is state reimbursement for special education costs that exceed an unusually large, state determined amount. This category also includes E-Rate funds, which is state reimbursement for specific types of technology equipment. All other revenues are expected to continue on historic trends.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$1,364,016	\$1,377,656	\$1,391,433	\$1,405,347	\$1,419,400
Preschool Open Enrollment	29,439	29,733	30,030	30,330	30,633
Class & Sports Oriented Fees	1,360	1,374	1,388	1,402	1,416
Interest Earnings	952,588	762,070	685,863	617,277	555,549
Rental Related Fees	37,751	38,129	38,510	38,895	39,284
Miscellaneous & Medicare	<u>236,076</u>	<u>237,256</u>	<u>238,442</u>	<u>239,634</u>	<u>240,832</u>
Total Other Local Revenue Line #1.060	<u>\$2,621,230</u>	<u>\$2,446,218</u>	<u>\$2,385,666</u>	<u>\$2,332,885</u>	<u>\$2,287,114</u>

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. There are no planned transfers or advances back to the General Fund planned at this time.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

All Other Financial Sources – Line #2.060

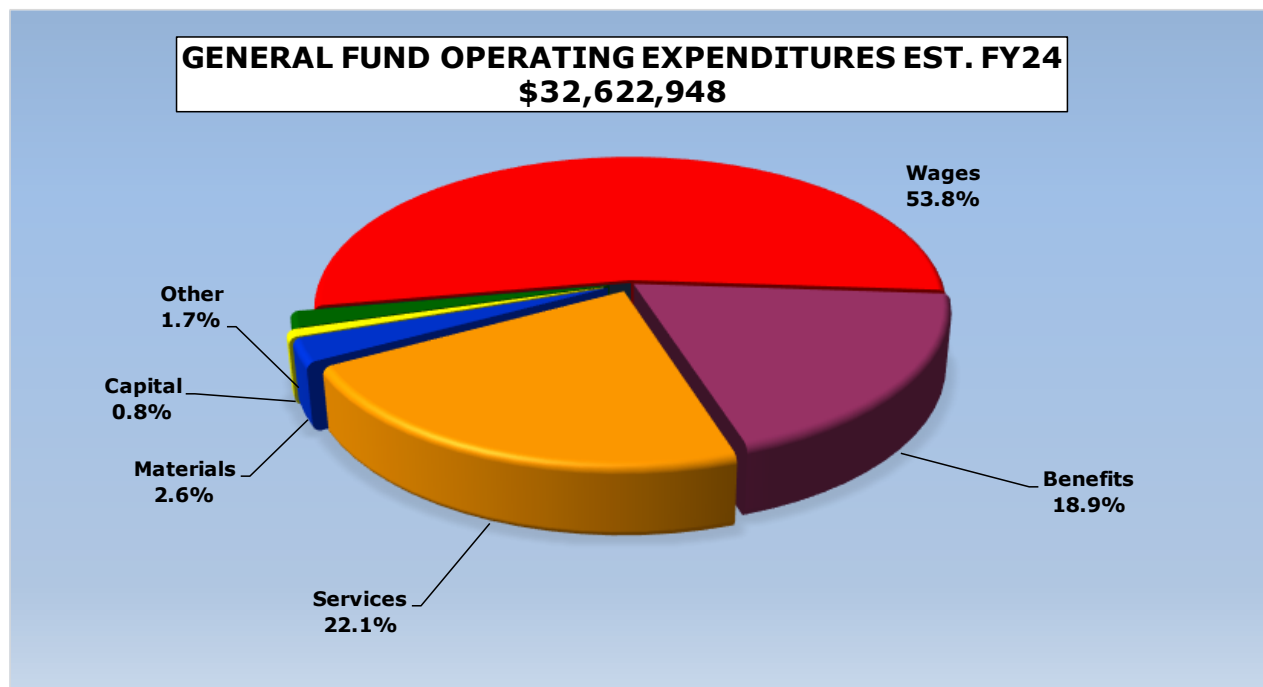
This line can include refunds and adjustments of prior-year expenditures such as e-rate discounts, fuel tax exemptions, wellness reimbursements, Medicaid settlements, excess retirement contributions, workers' compensation rebates, college credit plus adjustments, private scholarship reconciliations, and state funding corrections. Other refunds and adjustments vary widely and can fluctuate year to year.

Source	FY24	FY25	FY26	FY27	FY28
Refund of prior years expenditures	<u>\$94,531</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$45,000</u>

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY24



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 4.0% for FY24 and 2.25% in FY25 including step increases. We have included a base increase of 1.5% for FY26 through FY28 for planning purposes but all increases have to be negotiated.

We have used ESSER funds in FY22-24 to help offset wage costs. Those funds will expire at the end of FY24 and we will be bringing back an estimated \$803,000 in wages costs to the General Fund in FY25 with fringe benefit costs being noted in Line 3.02 below.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$15,695,051	\$16,636,754	\$18,128,740	\$18,733,406	\$19,376,982
Based Pay Increase	627,802	374,327	271,931	281,001	290,655
Steps & Academic Training	313,901	313,901	332,735	362,575	374,668
Substitutes	528,450	528,450	528,450	528,450	528,450
Supplementals	330,506	337,942	343,011	348,156	353,378
Severance	70,000	70,000	70,000	70,000	70,000
SWSF & ESSER Adjustments	0	803,758	0	0	0
Other Adjustments/Reductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$17,565,710</u>	<u>\$19,065,132</u>	<u>\$19,674,867</u>	<u>\$20,323,588</u>	<u>\$20,994,133</u>

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

The district is on a self-insured medical insurance plan. FY23 saw an increase in insurance rates of 9.5% over FY22. We are estimating an increase of 9.5% for FY24, 6.7% for FY25, and 9.5% FY26 through FY28 which reflects trend on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .054% of wages FY24– FY28. We do not expect any unemployment costs FY24-FY28. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$2,731,910	\$2,958,780	\$3,070,999	\$3,172,704	\$3,278,165
B) Insurance's	3,099,357	3,433,526	3,759,711	4,116,884	4,507,988
C) Workers Comp/Unemployment	94,477	102,574	105,866	109,369	112,990
D) Medicare	239,849	253,688	275,429	284,271	293,677
Other/Tuition/Annuities	<u>14,360</u>	<u>14,360</u>	<u>14,360</u>	<u>14,360</u>	<u>14,360</u>
Total Fringe Benefits Line #3.020	<u>\$6,179,953</u>	<u>\$6,762,928</u>	<u>\$7,226,365</u>	<u>\$7,697,588</u>	<u>\$8,207,180</u>

Purchased Services – Line #3.030

HB33, the new state budget continues paying costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We continue these items in the

table below as those costs were included in FY21 historical data on the forecast sheet. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

This category includes payments for contracted staff and services through North Central ESC, utilities, property insurance, special education student transportation, and legal fees. The tuition category is comprised of programs for students placed outside of our district as well as College Credit Plus costs. Utilities are expected to increase each year by 5% and could be higher. Student Wellness and ESSER funds that helped support a school nurse and resource officer are expected to be exhausted and those costs returned to the General Fund beginning in FY24.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Professional & Technical Services, ESC	\$2,842,196	\$2,899,040	\$2,957,021	\$3,016,161	\$3,076,484
Maintenance, Insurance & Garbage Removal	315,108	316,684	318,267	319,858	321,457
Professional Development	19,802	19,802	19,802	19,802	19,802
Communications, Postage, & Telephone	71,811	72,170	72,531	72,894	73,258
Utilities	613,824	644,515	676,741	710,578	746,107
Tuition, Excess Costs & Scholarship Costs	2,488,501	2,500,944	2,513,449	2,526,016	2,538,646
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	695,915	709,833	724,030	738,511	753,281
Contract Transportation	19,690	19,887	20,086	20,287	20,490
Other Adjustments SWSF, ESSER, Etc.	75,000	76,500	78,030	79,591	81,183
Miscellaneous Purchased Services	<u>59,007</u>	<u>60,187</u>	<u>61,391</u>	<u>62,619</u>	<u>63,871</u>
Total Purchased Services Line #3.030	<u>\$7,200,854</u>	<u>\$7,319,562</u>	<u>\$7,441,348</u>	<u>\$7,566,317</u>	<u>\$7,694,579</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. All forecasted years also include estimated annual inflation of 2%.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$311,659	\$317,892	\$324,250	\$330,735	\$337,350
Textbooks & Instructional Supplies	126,902	484,440	139,129	141,912	144,750
Facility Supplies & Materials	168,605	171,977	175,417	178,925	182,504
Transportation Fuel & Supplies	234,427	239,116	243,898	248,776	253,752
Other adjustments SWSF, ESSER, Etc.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Supplies Line #3.040	<u>\$841,593</u>	<u>\$1,213,425</u>	<u>\$882,694</u>	<u>\$900,348</u>	<u>\$918,356</u>

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because a large portion of capital outlay is paid by the Permanent Improvement Fund. We have flat funded this line for the General Fund.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Maintenance	\$265,000	\$265,000	\$265,000	\$265,000	\$265,000
Other adjustments SWSF, ESSER, Etc.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$265,000</u>	<u>\$265,000</u>	<u>\$265,000</u>	<u>\$265,000</u>	<u>\$265,000</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

Annual interest payments for the district's energy conservation project that began in 2014 and the corresponding annual principal payments that began in 2015 are shown on this line through 2020. As directed by the Auditor of State, the unvoted debt that averages about \$56,000 annually and expires in fiscal year 2029 begins to appear on line 5.010 in 2021 as a transfer to the bond retirement fund. Guaranteed energy savings from the project total about \$70,000 annually, which reduces utility costs on line 3.030 Purchased Services.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 2.57% increase is projected in this area.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$287,927	\$293,686	\$299,560	\$305,551	\$311,662
ESC Deduction	16,993	17,333	17,680	18,034	18,395
Annual Audit Costs	28,667	30,100	31,605	33,185	34,844
Dues, Fees & other Expenses	<u>236,251</u>	<u>243,339</u>	<u>250,639</u>	<u>258,158</u>	<u>265,903</u>
Total Other Expenses Line #4.300	<u>\$569,838</u>	<u>\$584,458</u>	<u>\$599,484</u>	<u>\$614,928</u>	<u>\$630,804</u>

Transfers Out/Advances Out – Lines # 5.010 and 5.020

Typical annual transfers from the general fund previously included about \$52,000 to the uniform supplies fund to subsidize fees that were mandatorily waived by state law for students receiving free lunches and \$5,000 to the International Cultural Center for the district's 20% match to the community based program. District fees collected for consumable supplies were eliminated by the board of education in fiscal year 2021 for all students thus the corresponding transfer increased to 100% (less any collected delinquencies) for an additional annual amount of about \$55,000. During the same year, the International Cultural Center program became inactive due to the pandemic thus the corresponding transfer of \$5,000 was eliminated.

Actual fiscal years 2022 and 2023 and all forecasted years 2024 thru 2028 also reflect annual transfers averaging about \$56,000 required by the Auditor of State for repayment of House Bill 264 project bonds as mentioned above in lines 4.050 and 4.060.

No future advances are anticipated.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$162,292	\$162,292	\$162,292	\$162,292	\$162,292
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$162,292</u>	<u>\$162,292</u>	<u>\$162,292</u>	<u>\$162,292</u>	<u>\$162,292</u>

Excess of Revenues over (under) Expenditures – Line #6.01

The district's annual budget was balanced in fiscal years 2021 and 2022 but expenditures exceeded revenues in 2023. Deficit spending continues in 2024 and escalates throughout the forecast due to: 1) flat revenue estimates with limited growth from local property taxes, 2) the district's reliance on unpredictable state funding, and 3) inherent high expenditure inflation from salary schedule & health insurance increases and contracted student services. Revenues are expected to grow on average 2.7% a year over the five year forecast while expenses are expected to average 5.09% a year.

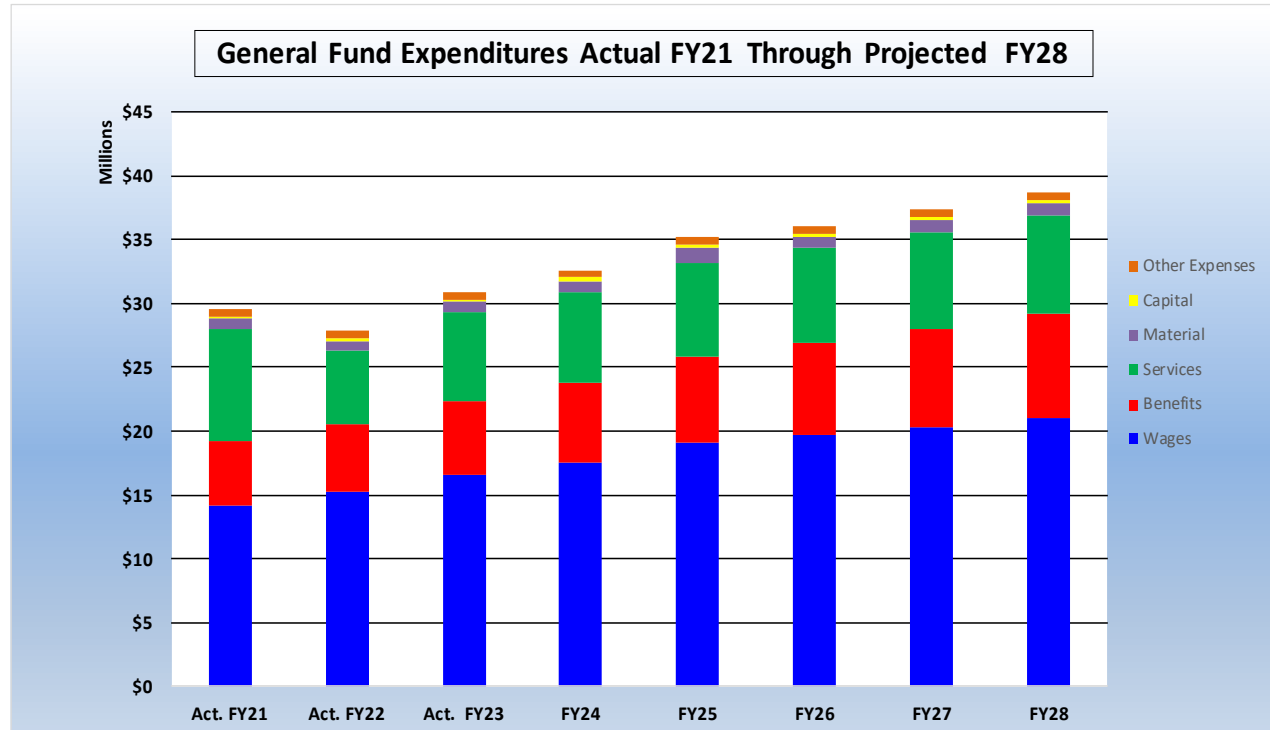
Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances Line #8.010	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.

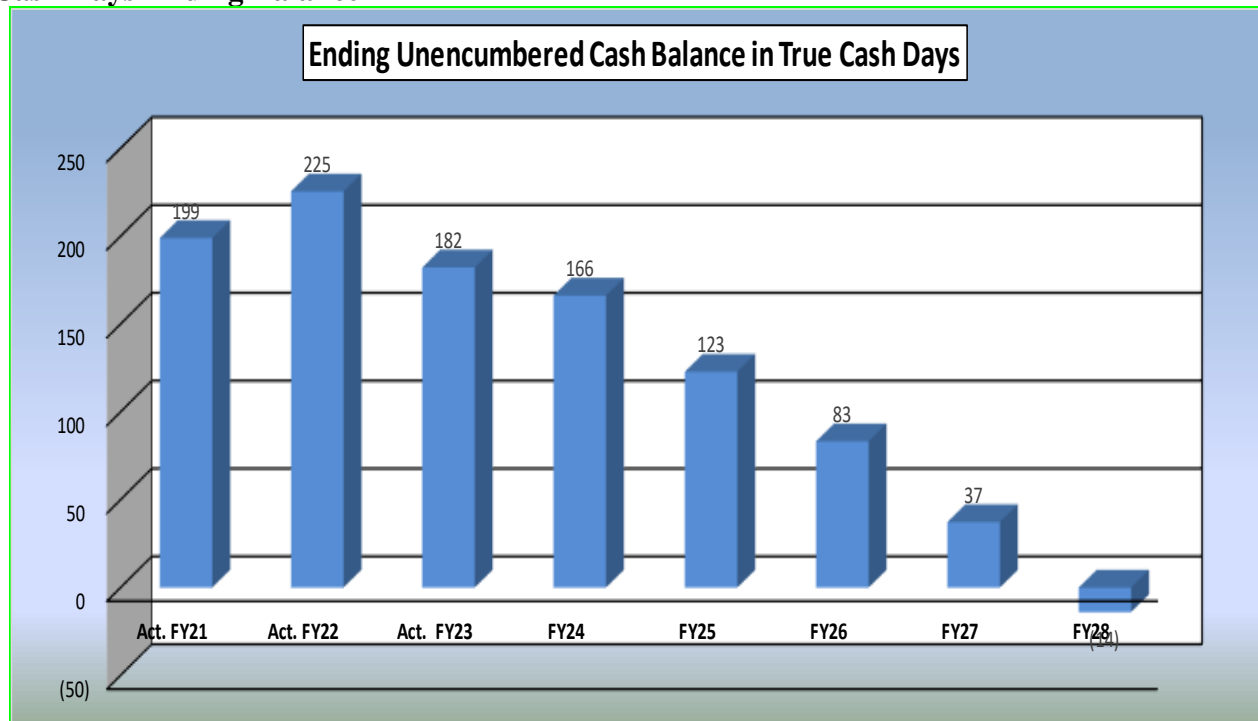


Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010

This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$2.7 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$14,927,104</u>	<u>\$11,908,526</u>	<u>\$8,265,619</u>	<u>\$3,838,301</u>	<u>(\$1,483,996)</u>

True Cash Days Ending Balance



Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by $(\text{Current Years Expenditures}/365 \text{ days}) = \text{number of days the district could operate without additional resources or a severe resource interruption}$. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.